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SECURITY INFORMATION

CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES

29 September 1952

STAFF MEMORANDUM NO. 276

SUBJECT: Proposed Memorandum for the DCI on the Situation in
the Middle East

1. With the exception of Turkey, the entire Middle East faces a prolonged period of change and instability. In this situation, the US is confronted with serious problems in maintaining its position in the area and in preventing the area from falling to the Communists. These problems include:

- a. Finding a way to convince the Arab nations that the US is not a tool of the former colonial powers, while simultaneously maintaining close relations with those powers;
- b. The difficulty of persuading the nations of the Middle East to accept assistance in raising the standard of living of the masses and to institute political and social reforms, in the face of growing nationalistic sentiment which blames the West, and particularly the UK, for all the ills of the area;
- c. The obstacles to resolving the Arab-Israeli conflict which derive from the fact that while Israel cannot survive without foreign aid and the US cannot refuse such aid without serious internal and external consequences, US aid to Israel deepens Arab resentment against the US;

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- d. The obstacles to strengthening the defenses of the Middle East, namely the extreme poverty of the area, the great reluctance of Middle Eastern nations to cooperate with the UK in defense arrangements, and the lack of awareness of the threat of Soviet aggression;
 - e. The threat to continued Western access to Middle East oil created by the growing trend toward nationalization and anti-Westernism.
2. The problems confronting the US are particularly acute at the present time in the following areas:
- a. IRAN: A negotiated settlement of the oil dispute is not likely during the next two or three months. Absence of oil revenues in itself is not likely to cause the collapse of the National Front government within that period, and the Tudeh Party will probably be unable to overthrow the government by force. Nevertheless, a situation increasingly favorable to the Communists is likely to develop because of: (1) increasing rivalry among National Front leaders, (2) the willingness of some National Front leaders to accept Tudeh support in critical situations, (3) probable reduction in the strength and efficiency of the armed forces, and (4) continued failure to carry out internal social and economic reforms.
 - b. EGYPT: Surface calm prevails in Egypt as the Nagib military regime presses forward with the first phases of an extensive program of reform. At the moment, the odds seem slightly better than even that Nagib and his moderate associates can meet two critical tests: retention of leadership of the Junta while accepting support from extremist elements, and successful resistance to the counter-attack to be expected from the Wafd Party and other groups alienated by Junta policies. More problematical is whether the Nagib regime has the administrative ability to deal with Egypt's serious economic

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problems, to implement the reform program, and to prevent the reform program from causing further dislocations in the Egyptian economy. In foreign affairs, the Nagib government will probably seek US advice and support, particularly military aid, and attempt to postpone the Suez, Sudan, and Middle East Defense Organization issues until the internal situation is stabilized.

- c. NORTH AFRICA: Expected French concessions to the nationalists in Morocco and Tunisia will probably not satisfy nationalist aspirations. Although the Communists will probably not capture control of the nationalist movements in the next several years, increasing native resistance to French control will probably - over a period of years - create a serious strain on French resources and limit the strategic usefulness of French North Africa to the West. As sympathy for the nationalist cause grows among Arab-Asian nations, the US faces the prospect of further strain on its relations with France and/or the Arab-Asian states.
- d. LEBANON: In large measure inspired by the success of the Nagib coup in Egypt, reform elements in Lebanon have succeeded in ousting the corrupt regime of former President Khoury. The new leadership is moderate and pro-Western. The chances are good that the new regime will survive and make considerable progress toward eliminating corruption, carrying through moderate reforms, and easing Christian-Moslem tension.

3. The basic forces of unrest and instability are also present in varying degrees in Syria, Jordan, Iraq, and Saudi Arabia, but are not likely to reach a crisis stage in the immediate future. Of the countries of the Middle East, only Turkey and Pakistan show promise of stability and Western orientation for some time to come, although problems for the US may arise in Pakistan in connection with the Kashmir issue and as a result of economic difficulties.

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